

ELS002.2010

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Synergy Equities Group Limited (“the Company”) will be held at **3:00pm AWST on Friday, 14 August 2009** at the SYNERGY Group, Level 1 Westcentre, 1260 Hay Street, West Perth WA, Australia.

Agenda

Special Business**Resolution 1 – Change of Company name to DataMotion Limited**

To consider and if thought fit, to pass the following resolution as a special resolution:

“That pursuant to section 157 of the Corporations Act 2001, shareholders approve the adoption of “DataMotion Limited” as the new name for the Company.”

Resolution 2 – Issue of Options to Mr Ronald Moir or nominee

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, shareholders approve the issue of 100,000,000 listed options by the Company to Mr Ronald Moir or nominee, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

Any votes cast on this resolution by Mr Ronald Moir and any of his associates will be disregarded. However, the Company will not disregard a vote if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

Resolution 3 - Ratify Share placement of 28 November 2008

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, shareholders ratify and approve the allotment and issue of 30,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 0.5 cents per Share on 28 November 2008. ”

Voting Exclusion Statement

Any votes cast on this resolution by a person who participated in the issue and any of their associates will be disregarded. However, the Company will not disregard a vote if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

Resolution 4 - Ratify Share placement of 19 February 2009

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, shareholders ratify and approve the allotment and issue of 45,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 0.4 cents per Share on 19 February 2009.”

Voting Exclusion Statement

Any votes cast on this resolution by a person who participated in the issue and any of their associates will be disregarded. However, the Company will not disregard a vote if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

By Order of the Board

Mark Popham FCPA GAICD
Company Secretary
Dated 07 July 2009

"Snapshot" Date

The directors have determined that for the purposes of Regulation 7.11.37 of the Corporations Act, the persons eligible to vote at the meeting will be those persons who are registered as shareholders at 3:00pm AWST on Wednesday, 12 August 2009. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Statement

This Explanatory Statement has been prepared for the information of shareholders of the Company in connection with the **Extraordinary General Meeting** of shareholders to be held at **3:00pm AWST on Friday, 14 August 2009** at the SYNERGY Group, Level 1 Westcentre, 1260 Hay Street, West Perth WA, Australia. This Explanatory Statement should be read in conjunction with the accompanying Notice of Extraordinary General Meeting.

Special Business

Resolution 1 – Change of Company name to DataMotion Limited

The Directors of the Company believe it is appropriate to change the name of the Company to a name that better reflects the Company's business charter.

The proposed name change to DataMotion Limited represents the final stage in transitioning the Company's business model to reflect its emphasis on and commitment to SMX secure registered email and the DataMotion platform in the Asia Pacific region.

Resolution 2 – Issue of Options to Mr Ronald Moir or nominee

background

A prospectus outlining the details of a pro-rata non-renounceable rights issue of listed options ("Rights Issue") was lodged by the Company with ASIC on 17 March 2009 ("Prospectus").

The Rights Issue offered eligible Shareholders the opportunity to participate in the issue of options on the basis of four (4) New Options for every five (5) shares held at an issue price of \$0.001 (0.1 cents) each. The New Options have an exercise price of \$0.01 (1.0 cent) and will expire on 06 May 2013. If fully subscribed, the Rights Issue would result in the issue of 798,949,436 New Options and the amount raised would be A\$798,949.

The Rights Issue closed on 29 May 2009, as a result of which 400,577,991 New Options were issued pursuant to the Rights Issue, which raised A\$400,578 before payment of all associated costs.

Following the Rights Issue, 398,371,445 Shortfall Options remain which if fully taken up would raise A\$398,371. The Company now seeks Shareholder approval to issue part of the Shortfall Options to the Company's Managing Director, Mr Ronald Moir or nominee.

general

Resolution 2 requires Shareholder approval for the issue of 100,000,000 New Options at \$0.001 (0.1 cents) each (totalling A\$100,000) to the Company's Managing Director, Mr Ronald Moir or nominee, in accordance with Listing Rule 10.11 ("proposed issue to Mr Moir").

listing rule 10.11 approval

Listing rule 10.11 requires the Company to obtain Shareholder approval in order to issue Equity Securities to a related party (unless an exception applies). Mr Moir, being a Director of the Company, is a related party for the purposes of Listing Rule 10.11

Listing rule 7.1 also requires the Company to obtain Shareholder approval in order to issue Equity Securities representing more than 15% of the Company's Shares on issue in any 12 month period (unless one of the exceptions in Listing Rule 7.2 applies). Exception 14 in Listing Rule 7.2 is an issue made with Shareholder approval under Listing Rule 10.11 and provides that if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Under listing rule 10.13, the notice of meeting to approve the proposed issue to Mr Moir or nominee must include certain information as set out below.

1) **the name of the person**

Mr Ronald Moir

2) **the maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person**

100,000,000 options at \$0.001 (0.1 cents) each.

- 3) **the date by which the Company will issue the securities, which must not be more than one month after the date of the meeting**
the Company intends to issue the Options to Mr Moir or nominee within one month of the date of the meeting.
- 4) **if the person is not a Director, a statement of the relationship between the person and the Director that requires the approval to be obtained**
Mr Moir is a Director of the Company.
- 5) **the issue price of the securities and a statement of the terms of the issue**
The Company seeks to issue 100,000,000 Options to Mr Moir or nominee at \$0.001 (0.1 cents) per Option.
The Options to be issued under the proposed issue to Mr Moir or nominee have the same term and pricing as the Options issued under the Rights Issue, set out as follows:
- a) *exercise price*
the exercise price is \$0.01 (1 cent) per New Option.
 - b) *entitlement*
each New Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
 - c) *new option period*
The New Options will expire at 5.00pm (AWST) on 06 May 2013. Subject to clause (g), New Options may be exercised at any time prior to the expiry date and New Options not so exercised shall automatically expire on the expiry date.
 - d) *ranking of share allotted on exercise of new option*
Each Share allotted as a result of the exercise of any New Option will rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
 - e) *voting*
A registered owner of a New Option will not be entitled to attend or vote at any meeting of the members of the Company unless they are also a member of the Company.
 - f) *transfer of a new option*
New Options are transferable at any time prior to the expiry date.
 - g) *method of exercise of a new option*
 - i) the Company will provide a notice that is to be completed when exercising the New Options. New Options may be exercised by completing the notice and forwarding the same to the Company Secretary to be received prior to the expiry date accompanied by payment in full for the relevant number of shares being subscribed for.
 - ii) within 14 days from the date of exercise of New Options the Company shall issue that number of Shares in the capital of the Company subscribed for.
 - iii) the Company will after issue and allotment of Shares pursuant to the exercise of a New Option, apply to the ASX for official quotation of all such Shares, in accordance with the Corporations Act and the ASX Listing Rules.
 - iv) the Company will generally comply with the requirements of the ASX Listing Rules in relation to the timetables imposed when quoted options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the options and the timetable outlined in the ASX Listing Rules, the timetable outlined in the ASX Listing Rules shall apply.
 - h) *reconstruction*
In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the New Options will be reconstructed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
 - i) *participation in share issues*
There are no participating rights or entitlements inherent in the New Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the options are exercised.
 - j) *no change of new options' exercise price or number of underlying shares*
There are no rights to change the exercise price of the New Options or the number of underlying Shares if there is a bonus issue to holders of Shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than in lieu or in satisfaction of dividends or by way of dividend reinvestment) the New Option exercise price shall be reduced according to the formula specified in the ASX Listing Rules.

- 6) **a voting exclusion statement**
a voting exclusion statement for the Resolution is included in the Notice of Extraordinary General Meeting.
- 7) **the intended use of the funds raised**
General working capital requirements of the Company.

Resolution 3 – Ratify Share placement of 28 November 2008

ASX Listing Rule 7.4 provides that an issue of securities made without shareholder approval is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if shareholders subsequently approve it. Accordingly, the Company is seeking shareholder approval for the issue of 30,000,000 shares at 0.5 cents per share on 28 November 2008 pursuant to a placement made pursuant to section 708 of the *Corporations Act* to raise \$150,000. For the purposes of ASX Listing Rule 7.5, the following information is provided:

- 1) the number of shares allotted and issued was 30,000,000 shares;
- 2) the issue price of the shares was 0.5 cents each;
- 3) the shares issued rank pari passu with existing fully paid ordinary shares;
- 4) the shares were allotted to the following allottees:

Ivor Frederick Cohen & Marcelle Cohen <The Cohen Family Superannuation Fund>	5,000,000
Medi Holdings Pty Ltd	5,000,000
Mr Frank Quaresimin.....	5,000,000
Mr Robert Ross Trevarrow & Mrs Helen Elizabeth Trevarrow	15,000,000
- 5) the capital raised pursuant to the placement was used to fund the ongoing sales & marketing of SMX secure registered email throughout Australia and the Asia Pacific by the Company's wholly owned subsidiary Data-inCrypt[®] Pty Ltd.

Resolution 4 – Ratify Share placement of 19 February 2009

ASX Listing Rule 7.4 provides that an issue of securities made without shareholder approval is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if shareholders subsequently approve it. Accordingly, the Company is seeking shareholder approval for the issue of 45,000,000 shares at 0.4 cents per share on 19 February 2009 pursuant to a placement made pursuant to section 708 of the *Corporations Act* to raise \$180,000. For the purposes of ASX Listing Rule 7.5, the following information is provided:

- 1) the number of shares allotted and issued was 45,000,000 shares;
- 2) the issue price of the shares was 0.4 cents each;
- 3) the shares issued rank pari passu with existing fully paid ordinary shares;
- 4) the shares were allotted to the following allottees:

Academic Growth Institute Fund Pty Ltd	5,000,000
Hamish Leeuwijn Marcus Beeck	1,250,000
HQ Pty Ltd	5,000,000
Intercorp Pty Ltd	10,000,000
Ivor Frederick Cohen & Marcelle Cohen <The Cohen Family Superannuation Fund>	2,500,000
Mandu Superannuation Fund Pty Ltd	2,500,000
Melcove Pty Ltd <Chris Fyson Super Fund A/C>	5,000,000
Mr Christopher Taylor	2,500,000
Mr Edward R Henry	2,500,000
Mr Graeme John Gladman & Mrs Franca Gladman	2,500,000
Mr Grantland Ernest Wark.....	1,250,000
Mr Simon Melville <S & R Melville S/Fund A/C>.....	1,250,000
Robertson Hillhouse Investments Pty Ltd <Robertson Hillhouse SF A/C>	3,750,000
- 5) the capital raised pursuant to the placement was also used to fund the ongoing sales & marketing of SMX secure registered email throughout Australia and the Asia Pacific by the Company's wholly owned subsidiary Data-inCrypt[®] Pty Ltd.

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the attached form of proxy.

Information for Voting by Proxy

Each member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote instead of such member.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion of the member's voting rights each proxy may exercise half of the member's voting rights.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation as required by its constitution or the hand of its attorney.

A proxy need not be a member of the Company. In the case of joint holders the proxy form may be signed by any one holder. Should you wish to direct your proxy how to vote please indicate your direction in the appropriate box(es) on the proxy form otherwise your proxy will have a discretion to vote as he/she thinks fit.

To be effective a completed proxy form and the power of attorney (if any) under which the proxy form is signed (or a certified copy of the power of attorney) must be received at ***the Company's registered office at Level 1 Westcentre, 1260 Hay Street, West Perth WA, Australia, or by facsimile transmission to (+61 8) 9415 2221 by 3:00pm AWST on Wednesday, 12 August 2009.***

Voting By Proxy - how to complete the Proxy Form

1. Your Name and Address Details

Please complete your name and address as it appears on the share register of Synergy Equities Group Limited. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the chairman of the meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the chairman of the meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the chairman of the meeting will be your proxy and vote on your behalf. A proxy need not be a shareholder of Synergy Equities Group Limited.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite the item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Synergy Equities Group Limited's share registry (Computershare Investor Services Pty Limited / (+61 8) 9323 2000) or you may copy this form, or download a copy from the Company's website located at www.synergylimited.com.

To appoint a second proxy you must:

- a) indicate that you wish to appoint a second proxy by marking the box;
- b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form; and
- c) return both forms together in the same envelope.

5. Authorised Signature/s

You must sign this form as follows in the spaces provided:

Joint Holding	in the case of joint holders the proxy form may be signed by any one holder.
Power of Attorney	if signed under a Power of Attorney you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies	a director can sign jointly with another director or a company secretary, a sole director who is also a sole company secretary can also sign. A sole director of a corporation without a company secretary can sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a proxy form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Synergy Equities Group Limited share registry.

Lodgement of Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting. **Documents may be lodged by posting, hand delivery or facsimile to Synergy Equities Group Limited** or Computershare Investor Services Pty Limited at one of the following addresses:

Mailing Address Synergy Equities Group Limited

Private Box 1288
West Perth Western Australia 6872
Australia

Registered Office Synergy Equities Group Limited

Level 1
Westcentre
1260 Hay Street
West Perth Western Australia 6005
Australia

Computershare Investor Services Pty Limited

Level 2
45 St Georges Terrace
Perth Western Australia 6000
Australia

Facsimile (+61 8) 9415 2221

Facsimile (+61 8) 9415 2221

Facsimile (+61 8) 9323 2033

Proxy Form

All Correspondence to:
The Company Secretary
Synergy Equities Group Limited
Private Box 1288
West Perth WA 6872
AUSTRALIA
Telephone (+61 8) 9415 2212
Facsimile (+61 8) 9415 2221
www.synergylimited.com



**SYNERGY
EQUITIES GROUP LIMITED**

ABN 44 009 148 529

1. I / We (please print):

Name

Address

Securityholder Reference Number (SRN)

or Holder Identification Number (HIN)

2. Appointment of a Proxy

I/We being a member/s of Synergy Equities Group Limited hereby appoint:



**the chairman of the meeting
(mark with an 'X')**

OR

(Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting).

or failing the person named, or if no person is named the chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Synergy Equities Group Limited to be held at the SYNERGY Group, Level 1 Westcentre, 1260 Hay Street, West Perth WA, Australia at **3:00pm AWST on Friday, 14 August 2009** and at any adjournment of that meeting.

3. Votes on Items of Business

(Voting directions to your proxy – please mark to indicate your directions)

	For	Against	Abstain
Resolution 1 – Change of Company name to DataMotion Limited.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Options to Mr Ronald Moir or nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratify Share placement of 28 November 2008.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratify Share placement of 19 February 2009.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Appointment of a Second Proxy

I/We wish to appoint a second proxy



**(Mark with an 'X' if you wish to
appoint a second proxy**

and

 %

or

State the percentage of your voting rights or the number of shares for this Proxy Form.

5. Authorised Signature/s

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder 1

*Individual / Sole Director and
Sole Company Director*

Security Holder 2

Director

Security Holder 3

Director / Company Secretary

Contact Name

Contact Daytime Telephone

Date